



DEPARTMENT OF
FINANCE

ARNOLD SCHWARZENEGGER, GOVERNOR

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June 27, 2008

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-1
P.O. Box 4025
Sacramento, CA 95812-4025

Dear Mr. Leary:

Final Audit Report—San Francisco Unified School District, Track and Other Recreational Surfacing Grants Program, Grant Agreement TR41-04-11

Enclosed is the final report of the San Francisco Unified School District's (Grantee) Track and Other Recreational Surfacing Grants Program grant agreement TR41-04-11 for the reporting period June 1, 2005 through March 30, 2007. The Department of Finance, Office of State Audits and Evaluations (Finance), performed this audit under an interagency agreement with the California Integrated Waste Management Board (Board). The audit includes a review of revenue, expenditures, internal control, and compliance with certain grant agreement provisions.

The Grantee complied with the fiscal requirements of its grant agreement, and its revenue and expenditures were fairly stated. Because there were no audit findings or issues requiring a response, we are issuing the report as final. The enclosed report is for your information and use. We have also sent a copy to the Grantee. In accordance with Finance's policy of increased transparency, the final report will be placed on the Finance website.

If you have any questions regarding this report, please contact Susan M. Botkin, Manager, or Robert L. Scott, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

David Botelho, Chief
Office of State Audits and Evaluations

Enclosure

cc: On following page

San Francisco Unified School District
Track and Other Recreational
Surfacing Grants Program
Grant TR41-04-11

For the Period June 1, 2005
through March 30, 2007

Prepared By:
Office of State Audits and Evaluations
Department of Finance

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PREFACE

The Department of Finance, Office of State Audits and Evaluations, performed this audit under an interagency agreement with the California Integrated Waste Management Board (Board).

The Board awarded a \$100,000 grant (TR41-04-11) to the San Francisco Unified School District (Grantee) to participate in the Track and Other Recreational Surfacing Grants Program. This grant was funded by the California Tire Fund and covers the reporting period June 1, 2005 through March 30, 2007.

The objective of this audit was to determine the Grantee's fiscal compliance with the aforementioned grant. This audit also assessed the Grantee's compliance with applicable laws, regulations, and grant agreement requirements as well as a review of internal control. We did not assess the efficiency or effectiveness of program operations; this responsibility lies with the Board. The responsibility for financial reporting and compliance rests with the Grantee.

This report is intended for the information and use of the Board and Grantee management. However, the report is a matter of public record and its distribution is not limited.

STAFF:

Susan Botkin, CGFM
Manager

Robert Scott, CPA
Supervisor

Billy Struble

INDEPENDENT AUDITOR'S REPORT

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-1
P.O. Box 4025
Sacramento, CA 95812-4025

We have audited the accompanying San Francisco Unified School District's (Grantee) *Statement of Revenue and Expenditures* (Statement) for grant agreement TR41-04-11, covering the period June 1, 2005 through March 30, 2007. The grant agreement was executed between the Grantee and the California Integrated Waste Management Board (Board). This Statement was prepared from the Grantee's records and is the responsibility of Grantee management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to provide reasonable assurance as to whether the Statement is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared, as described in Note 4, for the purpose of determining the Grantee's fiscal compliance with the aforementioned grant agreement. The Statement is not intended to be a presentation of the Grantee's total revenue and expenditures.

In our opinion, the Statement referred to above presents fairly, in all material respects, the claimed and audited revenue and expenditures for grant agreement TR41-04-11 for the period June 1, 2005 through March 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Statement is free of material misstatements, we performed tests of the Grantee's compliance with certain provisions of laws, regulations, and the grant agreement, noncompliance with which could have a direct and material effect on the determination of the Statement amount.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported herein under *Generally Accepted Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Grantee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement, but not for the purpose of expressing an opinion on the effectiveness of the Grantee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Grantee's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Grantee's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Statement that is more than inconsequential will not be prevented or detected by the Grantee's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the Statement will not be prevented or detected by the Grantee's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of state and Grantee management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

David Botelho, CPA
Chief, Office of State Audits and Evaluations
(916) 322-2985

June 17, 2008

STATEMENT OF REVENUE AND EXPENDITURES

**San Francisco Unified School District
Track and Other Recreational Surfacing Grants Program TR41-04-11
For the Period June 1, 2005 through March 30, 2007**

Revenue:	<u>Claimed</u>	<u>Audited</u>	<u>Questioned</u>
State Grant	\$100,000	\$100,000	\$ 0
Expenditures:			
Supervision	5,248	5,248	0
Turf	79,895	79,895	0
Goalposts and Scoreboard	1,888	1,888	0
Mobilization and General Conditions	<u>12,969</u>	<u>12,969</u>	<u>0</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Excess of Revenue over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

**San Francisco Unified School District
Track and Other Recreational Surfacing Grants Program TR41-04-11
For the Period June 1, 2005 through March 30, 2007**

NOTE 1 Description of the Reporting Entity

Founded in 1851, San Francisco Unified School District (Grantee) educates approximately 55,000 of San Francisco's pre-school, elementary, middle, and high school students with the philosophy "every child can learn."

NOTE 2 Program Information

The Track and Other Recreational Surfacing Grants Program are grants available to promote markets for recycled-content products derived from waste tires generated in California and decrease the adverse environmental impacts created by unlawful disposal and stockpiling of waste tires. The California Integrated Waste Management Board (Board) issued its first cycle of grants in fiscal year 2002-2003. In 2005, the program was replaced by the Tire-Derived Product grant program.

NOTE 3 Description of Track and Other Recreational Surfacing Grant

Grant TR41-04-11 was awarded to the San Francisco Unified School District in the amount of \$100,000 for the period of June 1, 2005 through March 30, 2007. In order to receive the grant funds, the Grantee contributed \$100,000 in match funds. The grant was used to renovate an unusable field into one that has artificial surface and is regulation sized for both soccer and football at Burton High School in San Francisco. The artificial surface includes the use of recycled tires.

NOTE 4 Summary of Significant Accounting Policies

A. Basis of Presentation

The Statement summarizes the Grantee's transactions pertaining to grant agreement TR41-04-11 only, and is not intended to represent all of the Grantee's financial activities.

B. Basis of Accounting

The Grantee's accounts are maintained on the modified accrual basis and in accordance with the principles of fund accounting. Under the modified accrual basis, revenue is recognized as it becomes measurable and available, and expenditures are recorded at the time the liabilities are incurred.